

09.12.2020

## RELEASE

SNTGN Transgaz SA informs on the fact that the Competition Council communicated to the company and to the law firm, on 08.12.2020, the Decision of the Competition Council no. 43/11.08.2020, decision which mainly provides the following:

- the finding of the violation by Transgaz of the provisions of art. 5 para. (1) of the Competition Law no. 21/1996 and art. 101 of the TFEU as a facilitator of the understanding and/or a single and continuous concerted practice of sharing the market for gas transmission pipeline constructions and related works in Romania, by distorting the competitive process in 8 public procurement procedures organized in 2011;
- sanctioning Transgaz with a fine in the amount of 34,166,615.90320 lei, representing 1.84644% of the total turnover achieved by the company in 2019;
- the obligation to pay the fine within 30 days of the date of notification of the decision;
- the possibility to appeal the decision in administrative legal proceedings.

**We emphasize that this investigation refers to actions aimed at the way in which awarding procedures were developed for some works procurement contracts carried out by Transgaz during 2009-2011**, so before the implementation of private management at Transgaz, according to the provisions of GEO 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, and that there are no investigations by the Competition Council into tenders organized by Transgaz in recent years.

Transgaz exercised its right to defence with the assistance and through representation by the law firm contracted according to the legal provisions, respectively submitted comments to the investigation report and argued during the hearing before the plenary of the Competition Council.

However, given that the investigation initiated by the Competition Council represented a risk factor on the company's activity, because in this investigation the company could be sanctioned by the application of a fine on the turnover, the company set up in 2019 a provision for this potential dispute.

In view of the above, Transgaz will take the necessary steps related to the aspects provided for in the decision communicated by the Competition Council and will initiate without delay all the legal proceedings to defend the interests of the company in relation to this decision.

**COMMUNICATION DEPARTMENT**